



UNITED STATES
ATTORNEY'S OFFICE
DISTRICT OF COLUMBIA

Community
Prosecution

The Court Report

7th Police

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Building Safer Neighborhoods Through Community Partnership

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Summary of Recent Court Cases

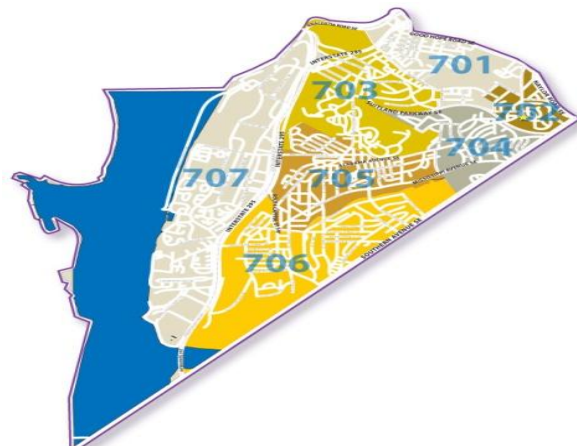
A 44-year-old District of Columbia man, **Carl L. Lynch**, also known as **Nathan Mott**, was sentenced on April 9, 2008 by the Honorable Erik P. Christian to a total of 64 years in prison. The defendant was convicted in October, 2007 of First Degree Murder while Armed, Possession of a Firearm during the Commission of a Crime of Violence, and Cruelty to Animals, in connection with the killing of his girlfriend, Charlene Mumford, and her dog.

A 40-year-old former federal employee, **Patrick Pritchard**, has been found guilty of possessing child pornography found on his work computer.

Deborah Jeane Palfrey, 52, of Vallejo, California, was found guilty on April 16, 2008 by a federal jury of operating an interstate prostitution ring under the business name Pamela Martin and Associates (PM&A) in the Washington metropolitan area for 13 years from her home in California.

A detailed descriptions of these and other cases from the 7th District are provided inside of this report.

The 7th Police District



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7th District Community Prosecution Update

Tips for keeping yourself safe at home

Leave at least one light on both inside and out when you are not at home. Don't give out personal information, such as your name or address. If you have answering machines use it to screen unwanted calls. Notify the police of threatening or harassing calls. Buy high quality deadbolts and use them. Be sure that door and window locks can be opened quickly in case of a fire. Install a peephole if possible. Don't open the door for strangers, unexpected repair people or deliveries. Always ask for a company ID and call to verify if you're suspicious. Watch other houses or apartments. Let your neighbors know if anything is suspicious. To learn more about keeping yourself safe contact Bob Nixon Community Outreach Specialist at 202-698-1452 or the Community Outreach Office at 202-514-2315.

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The Court Report

A 44-year-old District of Columbia man, Carl L. Lynch, also known as Nathan Mott, was sentenced today by the Honorable Erik P. Christian to a total of 64 years in prison. The defendant was convicted in October, 2007 of First Degree Murder while Armed, Possession of a Firearm during the Commission of a Crime of Violence, and Cruelty to Animals, in connection with the killing of his girlfriend, Charlene Mumford, and her dog.

FACTS: According to the government's evidence, the defendant was arrested and charged on June 12, 2006, for beating the decedent, Charlene Mumford. That case was later dismissed when Mumford declined to pursue the matter. On September 7, 2006, Mumford decided to spend the night with Lynch at his apartment in the 1600 block of Frankfort Street, SE, Washington, D.C. (PSA 701). Lynch left the apartment just after midnight with another woman to drive to 3rd Street, SE, in order to seek information about an earlier robbery of his ice cream truck. He returned to his apartment about 2:30 a.m. on September 8, 2007, and asked Mumford to follow him as he drove the other woman, who was now too drunk, home. They returned to the apartment around 3:00 a.m. The defendant awoke that morning and took Mumford's truck, picking up different people.

One of the person's Lynch picked up was a young lady who was to work with Lynch on the ice cream truck later that day. She and Lynch returned to the Frankfort St. apartment around 1:00 p.m., at which time she asked to walk the dog, Foxy. Lynch replied, the dog did not need to be walked. During this visit, Lynch called 911 and stated that there was a woman dead in his bed. He then left with the young woman, and after stopping at a liquor store, drove to her apartment. He returned to his apartment after being called by the police at about 3:20 p.m. He was then arrested.

Mumford was found in Lynch's bed, suffering from two gunshot wounds to the head, one of which was right between the eyes. The dog, Foxy, was found in the living room suffering from four gunshot wounds.

District Court

Carlos M. Urquidi, the former Financial Director of the Pan American Development Foundation (PADF) in Bogota, Columbia, has pled guilty to stealing more than \$197,000 in U.S. Agency for International Development (USAID) funds.

FACTS: The 67-year-old former PADF Financial Director entered his plea of guilty on March 31, 2008 to one count of Theft from a Program Receiving Federal Funds before imprisonment, is scheduled for sentencing on July 11, 2008. Under the federal sentencing guidelines, Urquidi faces a likely sentencing range of 18 to 24 months in prison.

According to the government's evidence, PADF is a USAID contractor operating in the United States and Colombia. PADF's headquarters is in Washington, D.C., and it has an office in

Bogota, Colombia. Since 2000, USAID has given PADF more than \$20,000,000 via two Cooperative Agreements. The money that USAID provided to PADF is to be used to provide support, training and housing for Colombians who are displaced by violence.

From January 2001 until May 2006, Carlos M. Urquidi was the PADF Colombia's Financial Director. As PADF's Financial Director, he had complete control over all of PADF Colombia's financial and administrative matters. From on or about January 2001, thru July 2006, Urquidi embezzled approximately \$197,225.00 dollars from PADF and used the money to purchase a condominium in Bogota, Columbia, personal furniture, and to pay for various personal expenses without the knowledge or permission of PADF officials. Urquidi was able to hide the fact that he used PADF funds for his personal benefit by falsifying PADF's Colombia's financial statements.

Shalome Odokara, a former World Bank employee, has been sentenced for her role in a fraud scheme in which she received over \$100,000 from the World Bank that was diverted by her friend, another former World Bank employee, in 2001.

FACTS: Odokara, 37, of Portland, Maine, received her sentence on April 1, 2008 in the U.S. District Court for the District of Columbia before the Honorable Judge Emmet G. Sullivan following her earlier guilty plea to the charge of Conspiracy to Structure Transactions to Evade Currency Reporting Requirements. Judge Sullivan sentenced the defendant to five years of probation, during the first two years of which she will be subject to electronic monitoring and placed on home confinement. Judge Sullivan also ordered Odokara to perform 1000 hours of community service, pay \$108,666 in restitution to the World Bank, and to pay \$108,666 in criminal forfeiture to the United States.

According to the Indictment filed against Odokara, Odokara was a World Bank employee who had previously been authorized to receive payments from the World Bank. Odokara had a friend who was also a World Bank employee who worked in the accounting department and could authorize and make payments to various contractors. In or about March 2001, Odokara's friend approached Odokara to participate in a scheme wherein the friend would wire money from the World Bank to Odokara's account, and then Odokara would share the money with her friend. The friend explained to Odokara that the deposits would be under \$10,000 because she wanted to avoid currency reporting requirements. According to the Indictment, the friend had access to World Bank accounting and payment software, and intentionally diverted payments that were to be made to several World Bank contractors for work performed and instead fraudulently sent the money from the World Bank to Odokara's bank account. Between March and September 2001, the friend diverted approximately \$108,666 to Odokara's account. After receiving these monies, Odokara paid her friend approximately \$41,513. The World Bank, which uncovered the scheme and takes financial malfeasance on the part of its staff very seriously, referred its investigative findings to the Department of Justice.

Odokara's friend who is the former World Bank employee has been indicted in this matter and is awaiting trial, but is currently a fugitive.

David E. McIntosh, a 24-year-old Jamaican citizen now residing in Florida, was ordered incarcerated today on his prior guilty plea to bank fraud for his role in a \$96,000 stolen check scheme he committed in 2005.

FACTS: McIntosh, originally from Ocho Rios, Jamaica, but now living in Pembroke Pines, Florida, was sentenced on April 4, 2008 in U.S. District Court in the District of Columbia by the Honorable Henry H. Kennedy, Jr. to four months of incarceration to be followed by two years of supervised release. The Court also ordered McIntosh to make restitution of \$96,229.03 to the defrauded bank. McIntosh, who has overstayed his visa, may be subject to deportation from the United States upon completion of his sentence.

According to the proffer of evidence by the government at the time of the plea, which was agreed to by McIntosh, McIntosh was hired as a temporary employee at Applied Technology Systems, Inc., in Arlington, Virginia, from April 18, 2005, to Mid-August of 2005, as an Accounts Payable Clerk. McIntosh's job duties included filing, data processing and assistance with accounts payable.

In the middle of August of 2005, McIntosh resigned from Applied Technology with one day's notice. Several weeks after McIntosh's departure, a bank reconciliation conducted by the Chief Financial Officer for Applied Technology revealed four Applied

Technology checks out of sequence. An investigation by the Accounting Department Controller for Applied Technology revealed four checks were stolen and fraudulently processed with the forged signature of the CFO, who was the authorizing official, for a loss of \$96,229.03. The four checks included: (1) one made payable to a company in California in the amount of \$43,200.27; (2) one made payable to the California company in the amount of \$48,728.52; (3) one made payable to subject #1 in the amount of \$3,000.12; and (4) one made payable to subject #2 in the amount of \$1,500.12.

The stolen checks were drawn on the account of Applied Technology at Sky Bank; an FDIC insured bank headquartered in Bowling Green, Ohio. The bank incurred an approximately \$96,000 loss as a result of this fraud.

It was subsequently determined that Subject #1 met McIntosh while attending Howard University in Washington, D.C. Subject #1 recalled McIntosh asking subject #1 to cash a check for McIntosh from work, as a favor. McIntosh provided the check to subject #1 the next day. Subject #1 deposited the check which was made payable to subject #1 in the amount of \$3,000.12, into subject #1's bank account in Washington, D.C. Subject #1 then wrote McIntosh a check for \$3,000 from subject #1's checking account.

McIntosh asked subject #2 to cash a check in the amount of \$1,500.12 for subject #2 in August of 2005. When subject #2 asked McIntosh why the check was made out to subject #2, McIntosh instructed subject #2 not to worry about it. After depositing the check in subject #2's account in Miami, Florida, subject #2 provided McIntosh subject #2's ATM number which he used to withdraw the money from subject #2's account.

When confronted, McIntosh admitted to law enforcement agents that he stole all four blank checks from Applied Technology while working at the company. McIntosh said he filled in two of the blank stolen checks on a typewriter at Howard University in the presence of subject #3 who was a friend of subject #1. One was made out to subject #1 in the amount of \$3,000.12, and the other was made out to subject #2 in the amount of \$1,500.12. McIntosh said he gave the other two blank stolen checks to subject #3 who was present with him as he typed up the first two checks.

In August of 2005, checks #1 and #2 were drawn on Applied Technology's account for \$43,000.27 and \$48,728.52, respectively. The checks had been deposited into the California Company's bank accounts at the branches, respectively, in Washington, D.C., and in Riverdale, Maryland.

Robert G. Davis, a former Federal Emergency Management Agency (FEMA) employee and clerk for various mortgage companies, has pled guilty to stealing personal identification information of over 200 persons, fraudulently opening over \$150,000 in credit accounts with various retailers in the names of the victims, and ordering merchandise for himself on these accounts.

FACTS: Davis, 44, a resident of Southeast Washington D.C., entered his plea of guilty on Friday, April 4, 2008, to one count of wire fraud and one count of aggravated identity theft in U.S. District Court for the District of Columbia before the Honorable Judge Reggie B. Walton. He faces a mandatory-minimum of two years of incarceration and maximum sentence of 32 years of incarceration and a \$1,000,000 fine, although Davis is likely to face a sentence of between 51 and 87 months under federal sentencing guidelines. Davis has been held without bond pending his sentencing, which has been set for June 20, 2008.

According to the Statement of Offense to which Davis pled guilty, between December 2003 and November 2007, Davis stole the identities of over 200 people ("ID Theft Victims") while working as a clerk at various mortgage companies operating in the District of Columbia area and as a FEMA Human Services Specialist who worked with the victims of natural disasters. Davis stole the identities of the ID Theft Victims without the knowledge of his employers by copying their personal information from loan applications the ID Theft Victims had submitted to FEMA or the mortgage companies. Approximately 30 of the 200 ID Theft Victims had their identities stolen from FEMA, an agency of the Department of Homeland Security after they had submitted their personal information as part of their applications for disaster relief. After obtaining the ID Theft Victims' personal information, Davis called various retailers impersonating the ID Theft Victims and fraudulently opened credit accounts in their names. Davis used the identities of at least 74 ID Theft Victims to open accounts with The Home Shopping Network, Ginny's Inc., Shop NBC, QVC, Inc. (collectively, "Retailers"), and he fraudulently obtained credit with these Retailers in excess of \$156,257. Impersonating the ID Theft Victims, Davis fraudulently ordered dozens of items that were delivered to his home, or other addresses near his home. The items ordered by Davis included gold and diamond jewelry, designer watches, digital cameras, DVDs, Dyson vacuum cleaners, gourmet food (including steaks, lobster, and seafood), lingerie, clothing, jackets, DVD players and other

electronic items. After obtaining these items, Davis would either keep them for personal use or pawn them at pawnshops in and around the Washington, D.C. area. Between December 2003 and November 2007, Davis pawned dozens of items and obtained over \$24,084 in cash from the pawnshops in exchange for the items he fraudulently obtained from the Retailers

Zona Albritton, a 48-year-old former general services manager with the American Federation of State, County and Municipal Employees (AFSCME), has pled guilty to one count of embezzlement of union funds.

FACTS: Albritton, of Bowie, MD, entered her guilty plea on April 7, 2008 in U.S. District Court before the Honorable Royce C. Lamberth. Albritton is scheduled to be sentenced on June 18, 2008, and could face up to 18 months in prison under the Federal Sentencing Guidelines as a result of the guilty plea.

According to the factual proffer agreed to by Albritton, between September 2003 and April 2004, Albritton was employed as the Manager of General Services for AFSCME. AFSCME is the nation's largest public service employees union representing more than 1.4 million workers in various fields of employment. As the Manager of General Services, Albritton was responsible for the overall maintenance and operations of two buildings occupied by the union at 1101 Seventeenth Street, NW, and 1625 L Street, NW, in Washington, D.C. Albritton's duties included soliciting bid proposals from vendors, negotiating with vendors and selecting the winning bids for any work that needed to be done to maintain the buildings.

Between December 2003 and April 2004, Albritton submitted several false bid proposals and invoices to the AFSCME accounts payable department in the name of RCS Construction & Paint, Inc., (RCS). These false documents were associated with five different painting, flooring and installation projects conducted on behalf of AFSCME. The work that should have been performed by RCS either, was not completed at all or completed by entities with no relationship to RCS pursuant to separate bid proposals to perform the same work that had been approved by Albritton. This activity was unknown and unauthorized by her employer. The false proposals and invoices submitted by Albritton on behalf of RCS convinced AFSCME management that RCS had performed the work for the union. As a result, AFSCME generated a total of seven checks payable to RCS totaling \$110, 543, and 12.

In March 2004, the U.S. Postal Service returned one of these checks to AFSCME due to an insufficient address. Because the AFSCME accounting department was unable to confirm the mailing address, AFSCME personnel confronted Albritton with the discrepancy. Based upon Albritton's failure to adequately explain the discrepancy and a review of documentation related to her procurement practices, AFSCME managers decided to terminate Albritton's employment immediately. Following Albritton's April 16, 2004, termination, investigators located false bid proposals and invoices in the name of RCS that were associated with each of the five questioned projects on the computer Albritton used while employed at AFSCME. The returned check payable to RCS for \$12,597.12 was never negotiated.

A subsequent investigation conducted by DOL-OLMS determined that from December 2003, to April 2004, Albritton deposited six of the aforementioned checks totaling \$97,946.00 into a checking account at Chevy Chase banks in the name of RCS Incorporated. Albritton was the sole authorized signatory for the Chevy Chase checking account. The investigation also revealed that Albritton attempted to conceal the embezzlement by using some of the money in the Chevy Chase checking account to

purchase three cashier's checks totaling \$22,000.00 that were payable to various entities who had performed work on behalf of AFSCME. In addition, Albritton purchased a \$500.00 cashier's check payable to AFSCME. Albritton used the remaining \$75,446.00 that she had embezzled from AFSCME for her personal benefit and enjoyment.

A 32-year-old Maryland man, Marlando Grant, was found guilty by a jury on April 4, 2008, in the U.S. District Court of the District of Columbia of all federal firearm and drug trafficking charges in the three count indictment filed against him.

FACTS: Specifically, Grant was found guilty of Unlawful Possession of a Firearm or Ammunition by a Person Convicted of a Crime Punishable by Imprisonment for a Term Exceeding One Year, which carries a maximum term of imprisonment of 10 years; Unlawful Possession with Intent to Distribute 5 Grams of More of Cocaine Base, also known as Crack, which carries a term of imprisonment of not less than 10 years but not more than life imprisonment; and Possession of a Firearm in Furtherance of a Drug Trafficking Offense, which carries a term of imprisonment of not less than 5 years. Grant is scheduled to be sentenced on July 24, 2008, before the Honorable Judge Emmet G. Sullivan.

The government's evidence at trial established that, on June 22, 2004, at approximately 9:00 p.m., two Metropolitan Police Department officers were on patrol in the area of the 1200 block of H Street, NE. The officers were driving westbound on H Street, NE, when they passed a dark-colored Cadillac, driven by Grant, heading eastbound on H Street. The officers noticed that the Cadillac's side windows were excessively tinted and that there were objects hanging from the rear view mirror – which are both traffic code violations. As a result, the officers conducted a traffic stop on Grant's car. Grant was the only person in the car, which was registered in his name

During the stop, one of the officers asked Grant whether he minded if they searched his car for narcotics or weapons, and Grant consented. The officers subsequently found a loaded 9mm handgun in the center armrest of the car. The gun was loaded with four rounds of ammunition in the magazine and one round of ammunition in the chamber. The officers also found a number of bags of crack cocaine, with a combined weight of 7.1 grams, beneath the dashboard. In addition, the officers recovered \$200 of U.S. currency. Further investigation revealed that Grant previously had been convicted of a crime punishable by more than one year of imprisonment.

Cryostar SAS, formerly known as Cryostar France (“CRYOSTAR”), a French corporation, headquartered in Hesingue, France, has pleaded guilty to conspiracy, illegal export, and attempted illegal export of cryogenic submersible pumps to Iran.

FACTS: CRYOSTAR pled guilty earlier today before the Honorable Colleen Kollar-Kotelly of the U.S. District Court for the District of Columbia to one count of Conspiracy, one count of Export without an Export License, and one count of Attempted Export without an Export License. Pursuant to a written plea agreement, CRYOSTAR must be sentenced to a criminal fine of \$500,000 and corporate probation of two years when the company is sentenced by Judge Kollar-Kotelly on July 17, 2008.

“Foreign parties that choose to export U.S.-origin goods to embargoed destinations, such as Iran, violate our export control laws,” said Assistant Secretary Jackson. “As this case demonstrates, we will vigorously pursue such violations.”

“Export restrictions should not be viewed as avoidable obstacles, but rather as fundamental safeguards for the protection of our national interests,” stated U.S. Attorney Taylor. “This prosecution should serve as a reminder that failure to comply with U.S. export control laws can have severe consequences.”

The evidence in this case established that CRYOSTAR, with business locations around the world including in the United States, specialized in the design and manufacturing of cryogenic equipment, such as pumps, turbines, compressors and automatic filling stations that were used to transport and process natural gases at extremely cold temperatures. Ebara International Corp., Inc. (“Ebara”) was a Delaware corporation with its principal place of business in Nevada. Ebara engaged in the business of designing and manufacturing cryogenic pumps for various uses, including for pumping fluid hydrocarbons that have been cooled to cryogenic temperatures (280 degrees below zero). Ebara specialized in the design and manufacturing of cryogenic equipment, such as pumps, turbines, compressors and automatic filling stations that were used to transport and process natural gases at extremely cold temperatures. “TN” was a French company with a U.S. subsidiary.

In 2001, TN arranged to purchase cryogenic submersible pumps from Ebara for delivery to an Iranian company for installation at the 9th and 10th Olefin Petrochemical Complexes in Iran. CRYOSTAR agreed to facilitate this transaction by serving as the middleman for TN and Ebara, by purchasing the pumps from Ebara, by reselling them to TN (which forwarded the pumps to Iran), and by falsely indicating that the final purchaser was a French company that would install the pumps in France, when all parties to the transaction knew that the ultimate and intended destination of the pumps was Iran.

The conspirators developed a plan to conceal the export of cryogenic pumps to Iran, under which Ebara would sell and export the pumps to CRYOSTAR in France, which would then resell the pumps to TN, with the ultimate and intended destination being Iran. The conspirators set forth the plan on a “matrix,” which they used as a roadmap, including various procedures to be followed by each company to protect their conduct from detection by United States law enforcement, which included the following:

- 1) requiring that all paperwork be passed through the London office of Ebara which would eliminate references to Iran and TN on paperwork going to Ebara in the United States and which would replace Ebara references with the letterhead and template of CRYOSTAR on engineering drawings, letters and reports on paperwork going to TN and Iran;
- 2) creating false purchase orders
 - i) from CRYOSTAR to Ebara stating that CRYOSTAR, not TN, was the purchaser, and France, not Iran, was the ultimate and intended destination and
 - ii) from TN to CRYOSTAR stating that CRYOSTAR, not Ebara, was the supplier, and that France, not the United States, was the country of origin for the pumps;
- 3) permitting only limited witness testing of the pumps in the United States by TN and not at all by the Iranian customer;
- 4) transferring responsibility for all installation, commissioning, maintenance, testing, and training in Iran from Ebara to CRYOSTAR and allowing participation by Ebara personnel from Ebara's London office only in "extreme situations" and no participation by Ebara personnel from the United States "under any circumstances";
- 5) omitting all Ebara labels and stamps on the pumps' component parts before export to conceal the true country of their origin;
- 6) replacing Ebara labeling and stamping of the pumps' component parts and accompanying shipping documents with CRYOSTAR identifiers after export to France so the country of their origin appeared to be France rather than the United States;
- 7) purchasing as many component parts as possible from non-U.S. suppliers and importing them into the United States for assembly by Ebara to avoid using parts with U.S. certificates of origin and addressing questions from U.S. suppliers regarding end-users; and
- 8) shipping the pumps from the United States through Canada, and then to France for re-labeling, before shipment to Iran for installation at the 9th Olefin Petrochemical Complex.

Following the procedures set forth in the "matrix," the conspirators manufactured four pumps, and shipped them, in January 2003, for installation at the 9th Olefin Petrochemical complex in Iran, ("First CRYOSTAR Order"). The total value of the First CRYOSTAR Order was approximately \$746,756.

The conspirators prepared three additional pumps to be shipped to Iran in the fall of 2003, for installation at the 10th Olefin Petrochemical Complex in Iran ("Second CRYOSTAR Order").

The total value of the Second CRYOSTAR Order was approximately \$1,125,055. The conspirators halted shipment of the Second CRYOSTAR Order because of this investigation.

The conspirators attempted to cover up their illegal conduct by creating false correspondence confirming that none of the pumps were sent, or were intended to be sent, to Iran. None of the conspirators sought and obtained export licenses for either the First CRYOSTAR Order or the Second CRYOSTAR Order.

Ebara and its former president pled guilty and were sentenced at an earlier stage in this investigation.

CRYOSTAR's guilty plea is the result of an investigation by the U.S. Department of Commerce, Bureau of Industry and Security.

A 40-year-old former federal employee, Patrick Pritchard, has been found guilty of possessing child pornography found on his work computer.

FACTS: A federal jury in Washington, D.C., found Pritchard, of Hollywood, MD, guilty of Possession and Transportation of Child Pornography. The trial was held before U.S. District Judge Richard J. Leon. Pritchard faces a statutory penalty of not less than five years nor more than 20 years for the transportation count, and not more than 10 years in jail for the possession charge, five years of supervised release, and a fine when he is sentenced on July 11, 2008.

The evidence presented at trial demonstrated that Pritchard was a civilian government employee of the U.S. Naval Research Lab ("NRL"), located in Southwest, Washington, D.C. On March 15, 2004, beginning at about 8 p.m., Pritchard used his work computer, which was on federal property, to access a Yahoo! "briefcase" containing images of

child pornography. During the next hour, Pritchard emailed pornographic images to his personal Yahoo! email account. At least 10 of the images showed children less than 18 years of age posing in a sexually explicit manner or engaging in sexual activity.

There were no eyewitnesses to Pritchard's actions. However, security officials monitoring the internet activity at NRL noticed the suspicious internet activity, and his computer was eventually seized and analyzed. The resulting computer forensics confirmed the presence of child pornography on Pritchard's work computer. Pritchard's work environment was one in which co-workers admittedly shared computer passwords in order to accomplish their work when they were traveling. Therefore, the defense argued that someone else must have used Pritchard's computer to send the child pornography from his work computer to his personal email account.

A Bowie, Maryland man, Joseph Muhidin Mustafa, 41, entered a plea of guilty on April 15, 2008, before U.S. District Court Judge Rosemary C. Collyer, to one count of Federal Employee Compensation Benefit Fraud.

FACTS: According to the proffer of evidence presented to the Court, Joseph Muhidin Mustafa was hired as a temporary cable installer by the U.S. Senate in February 1989. On March 2, 1989, he fell approximately five feet from a ledge and twisted his knee. The fall exacerbated a prior injury to his left knee and resulted in a tear to his left anterior cruciate ligament (ACL). Over the next several years, Mustafa underwent five surgeries to repair his ACL.

On April 20, 1989, Mustafa applied to the Office of Workers' Compensation Programs (OWCP), which is administered by the Department of Labor, for disability compensation based on his torn ACL. OWCP accepted his condition, and began paying him disability compensation. Mustafa received benefits from OWCP continuously until February 8, 2006

OWCP continued to classify Mustafa as "temporarily totally disabled" until June 23, 2003, when he was cleared for light duty work by a physician. However, by 1995 Mustafa was well enough to begin racing cars at racetracks across the Mid-Atlantic region to supplement his unemployment compensation benefits. Mustafa did not report the fact that he was racing or the money he earned by doing so to OWCP.

Beginning in January 2004, Mustafa worked for Code 3 Security, a company that provides security services to companies in and around Bowie, Maryland. In total, Code 3 Security paid Mustafa over \$40,000 before terminating him in June 2005. Thereafter, Mustafa created a company called "APS Security." This company provides passive security services to businesses in the area surrounding Annapolis, Maryland. Records

reveal APS Security paid Mustafa \$29,087.39 in 2005 and \$85,573 in 2006. Mustafa did not report these earnings to OWCP.

Based upon the money that the government now knows Mustafa earned, it has calculated that Mustafa was paid at least \$32,311 in unemployment compensation benefits to which he was not entitled.

When he is sentenced on July 17, 2008, by U.S. District Judge Collyer, Mustafa will face a statutory sentence of up to five years of imprisonment and a possible fine of \$250,000.

Deborah Jeane Palfrey, 52, of Vallejo, California, was found guilty on April 16, 2008 by a federal jury of operating an interstate prostitution ring under the business name Pamela Martin and Associates (PM&A) in the Washington metropolitan area for 13 years from her home in California.

FACTS: After a week-long trial presided over by the Honorable James Robertson, the jury found Palfrey guilty on all counts in the indictment, including operating a racketeering influenced corrupt organization (RICO), money laundering conspiracy, and interstate travel in aid of racketeering. At sentencing, she faces up to 50 years in prison and over \$2,000,000 in forfeiture. The applicable federal sentencing range is approximately 57 to 71 months.

According to the evidence presented by the government at the trial, and as charged in the indictment, starting in about 1993, Palfrey managed a large scale prostitution ring, PM&A,

which operated in several States, including Virginia, Maryland and in the District of Columbia. Palfrey hired women from these several jurisdictions who agreed to perform prostitution activities for customers of PM&A.

As part of the hiring process, Palfrey directed women who wanted to work for PM&A to male "testers" who agreed to and did meet with and determine the ability of those women to perform the appropriate prostitution activities. Once the women were hired, Palfrey coordinated the appointments prostitutes had with customers in Virginia, Maryland, and in the District of Columbia, who agreed to pay the prostitutes for engaging in sexual intercourse and/or oral sex.

Palfrey maintained at least three phone numbers for use by clients and employees of PM&A. Clients used these numbers to schedule appointments, and prostitutes used these numbers to advise Palfrey of their weekly availability, to receive directions to appointments scheduled for them by Palfrey, and to check in and check out with Palfrey at the beginning and end of each appointment scheduled by Palfrey. Palfrey arranged for the phone numbers to be remote call-forwarded to her California phone.

Palfrey maintained a U.S. Post Office box in Benecia, California, for receipt of portions of the proceeds of the prostitution activities. Palfrey directed the prostitutes to keep a percentage of the money they earned at each appointment scheduled by Palfrey, and Palfrey further directed the prostitutes to convert the remaining funds into money orders and to send them via the U. S. mail to Palfrey's P.O. Box in California.

As a result of these actions, the enterprise received substantial income from the prostitution offenses. Upon receipt by Palfrey of the money orders from the prostitutes, Palfrey would deposit those proceeds in her own accounts in California and use these proceeds to support herself, to promote her enterprise, and to acquire assets traceable to these proceeds.

The above-described prostitution ring existed from about 1993 until about August of 2006, involved the activities of approximately 132 women, and generated, according to records recovered from Palfrey's home, approximately \$2,075,384 in income through the prostitution-related enterprise.

A 35-year-old District of Columbia man, Duane McKinney, most recently of 1000 10th Street, NE, Washington, D.C., was found guilty on April 17, 2008 by a jury in the U.S. District Court for the District of Columbia on charges of fraud, theft, and monetary transactions.

FACTS: Specifically, McKinney was found guilty of four counts of mail fraud, two counts of wire fraud, three counts of first degree theft, and two counts of monetary transactions. McKinney is scheduled to be sentenced on July 15, 2008, before the Honorable Judge Reggie B. Walton. At sentencing, McKinney faces a likely range of imprisonment of 87 - 108 months under the Federal Sentencing Guidelines.

The government's evidence at trial established that Duane McKinney obtained title to D.C. and Maryland properties through forged deeds, that is, deeds which purported to be signed by the owners transferring the properties to McKinney or his non-profit business. In fact, the deeds were not signed by the owners; the vast majority of the owners were deceased at the time of the forged and false deeds. McKinney was assisted by Joe D. Liles, who would sign his name to these false deeds as the "notary" falsely stating that he saw the owner sign the deeds as grantor and that the owner "personally appeared before him." Once the deeds were notarized, McKinney caused the forged and notarized deeds to be filed with the District of Columbia's Recorder of Deeds and the Prince George's Circuit Court Land Records. McKinney would then sell the properties as if they belonged to him or his non-profit business and would use the money for his own personal desires. McKinney wrongfully obtained approximately 14 properties, nine of which he sold in order to gain for himself more than \$770,000.

Liles, of Upper Marlboro, Maryland, pleaded guilty on January 16, 2008, to the charge of false statements. Liles is scheduled to be sentenced on May 30, 2008 before Judge Walton.

Edward Adams, a former employee at the George Washington University Medical Faculty Associates ("MFA"), was sentenced today to prison for fraudulently obtaining over \$50,000 from the MFA and his fellow employees.

FACTS: Adams, 37, presently a resident of Concord, Massachusetts, pled guilty on December 28, 2007, and was sentenced on April 17, 2008 in U.S. District Court for the District of Columbia before the Honorable Judge Emmett G. Sullivan on one count of Bank Fraud. Judge Sullivan sentenced the defendant to 18 months of incarceration, with 6 months to be served consecutive to any other sentence, to be followed by five years of supervised release. In addition, the defendant was ordered to perform 200 hours of community service and pay \$49,796 in restitution to the victims of his fraud, which included the MFA, SunTrust Bank, MBNA, and employees of the MFA.

According to the Statement of Offense, with which Adams agreed, from May 2001 until November 2002, Adams was employed as the Administrative Manager of the Ophthalmology Department of MFA, and in that capacity he had complete access to mail that was sent to, and received by, the doctor employees of MFA. His duties also included approving invoices and patient reimbursement requests for payment by the Accounts Payable division of MFA. Adams took advantage of his position in three different ways. First, he gained access to personal identifying information for other MFA employees, activated credit cards in their names, and then transferred monies into his own bank account. Second, he stole payroll checks and vendor checks made payable to other MFA employees and he deposited them into his own bank account. Third, he approved fictitious invoices for payment by the Accounts Payable division of MFA, and deposited the reimbursement checks issued by MFA into his bank account. Adams was terminated from the MFA when the fraud was discovered in November 2002. In total, Adams defrauded his victims of over \$50,834 while employed at the MFA.

Adams was indicted on June 22, 2004, and a bench warrant was issued for his arrest on that date. Adams remained at large until April 2007 when he was arrested in Massachusetts on separate state fraud charges. After Adams was sentenced in Massachusetts, he was brought

to the District of Columbia for this case. Adams is currently serving a multi-year sentence in Massachusetts for felony fraud.

A 46-year-old Maryland woman, Karen Timberlake, was sentenced on April 18, 2008 in U.S. District Court before the Honorable Reggie B. Walton for Stealing Public Money from the Department of Housing and Urban Development in connection with a time and attendance overtime fraud scheme.

FACTS: Judge Walton sentenced the defendant to five years of probation, which included a term of six months home detention, 100 hours of community service, and ordered the defendant to make restitution for the money she stole. Timberlake pled guilty in January 2008.

According to the government's evidence, the defendant has been an employee at the Department of Housing and Urban Development ("HUD") in Washington, D.C. Beginning in 2003 and continuing through 2006, the defendant, who was herself a timekeeper, reported overtime to her timekeeper that she had not actually worked. The defendant did not receive authorization for her overtime requests, though she would falsely promise her timekeeper that she would provide documentation of authorization. At times, the defendant reported unworked overtime in excess of 35 hours for a two week pay period. In total, the defendant reported and received in unauthorized overtime over \$27,000 from the U.S. Treasury.

A Ghanaian man pleaded guilty to charges of conspiracy and alien smuggling in connection with his role in smuggling East Africans to the United States.

FACTS: Sampson Lovelace Boateng, 53, admitted that between approximately June 2006 and February 2007, he conspired with others to smuggle unauthorized aliens to the United States by providing them with fraudulently obtained Mexican visas. Boateng charged approximately \$500 per visa. These documents, which Boateng obtained through a corrupt employee of the Mexican Embassy in Belize, enabled East African aliens to travel into Mexico and reach a point where they could be smuggled across the southern U.S. border. Boateng's co-conspirators housed the aliens for several days or weeks in Mexico and then smuggled them to the United States by various means, including by concealing the aliens for more than twelve hours in the luggage compartments of buses. Smuggling fees totaled approximately \$5,000 per person by the time the aliens reached the United States.

Boateng pleaded guilty in the District of Columbia before U.S. District Judge Ricardo M. Urbina to one count of conspiracy and three counts of bringing aliens to the United States for profit. He faces 5 to 15 years in prison and a fine of \$250,000. Upon completion of his sentence, Boateng will be removed from the United States.

Boateng and his co-conspirator in Mexico, Mohammed Kamel Ibrahim, were charged in a 28-count indictment returned by a federal grand jury in the District of Columbia on Oct. 31, 2007, and unsealed on Dec. 5, 2007. Ibrahim is currently awaiting extradition to the United States to face prosecution.

The investigation was conducted by ICE Washington, D.C., and Los Angeles offices, with assistance from the ICE Miami office, the ICE Attaché in Guatemala City, the Diplomatic Security Office of the U.S. Embassy in Belize and the DEA Attaché in Belize. Valuable support was provided by the ICE Forensic Document Laboratory and U.S. Customs and Border Protection in Miami. Belizean authorities also provided substantial support.

Akeem Adejumo, a 22-year-old Nigerian citizen, has pled guilty and was sentenced to 18 months in prison by the Lagos State High Court in Nigeria on April 16, 2008, for committing fraud on a U.S. citizen and employee of the National Aeronautical and Space Administration (NASA).

FACTS: Adejumo pled guilty to two-count information charging him with obtaining goods by False Pretenses and Forgery.

This investigation was initiated on December 7, 2006, when NASA Headquarters Information Technology Security employees alerted the NASA Office of Inspector General (OIG) that a computer assigned to a Washington, D.C. NASA Headquarters employee had been compromised by an unknown attacker. Further investigation revealed that the employee had clicked on an attachment to an email which, unbeknownst to the victim, contained “spy-ware,” a malicious computer code capable of capturing and sending data from the victim’s computer to the perpetrator. This email was sent from an individual that the employee had been communicating with from an Internet dating site. As a result of the spy-ware being installed, and without the NASA employee’s knowledge, the attacker was able to obtain her personally-identifying information, including bank account numbers, social security number, driver’s license information, residence address, and passwords to various computer accounts, as well as intercept private electronic communications.

Analysis of network traffic logs and the victim’s computer system revealed that the attacker originated from Nigeria and used multiple email addresses to communicate with the victim. Further investigation revealed the presence of two additional victims and other email addresses used by the attacker. Coordination with members of the Nigerian Economic and Financial Crime Commission (EFCC), and the initiation of a successful undercover operation, resulted in the arrest of the perpetrator, Akeem Abejumo, in Nigeria on April 25, 2007.

In announcing Abejumo’s guilty plea and sentence, U.S. Attorney Taylor and Inspector General Cobb thanked and commended the Nigerian Economic and Financial Crime Commission, particularly the Cyber Crime Unit/Advance Fee Fraud Section, for its exemplary cooperation with the United States in the investigation and its success in the prosecution of this cyber-fraud case.

“Cyber-criminals know no boundaries and, despite their technical prowess, are nonetheless common criminals preying on innocent victims,” said Inspector General Cobb.

“The partnership between law enforcement agencies in the United States and Nigeria in the successful prosecution of this case demonstrates that cooperation between countries is vital to combat pernicious cyber-crime predators,” said U.S. Attorney Taylor. “The Nigerian Judge’s

sentence in this case – 18 months in prison – sends a strong message to cyber-criminals everywhere that this conduct will not be tolerated,” said Taylor.

Daniel Curran, 53, of Boynton Beach, Fla., was sentenced to 41 months in prison in connection with a \$30 million scheme to defraud the Export-Import Bank (Ex-Im Bank) of the United States, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Jeffrey A. Taylor of the District of Columbia announced today.

FACTS : Curran was sentenced today in the U.S. District Court for the District of Columbia by the Honorable Richard W. Roberts. In addition to his prison sentence, Curran was placed on three years of supervised release, ordered to forfeit \$140,000 to the United States and ordered to pay restitution of \$23,156,828.16 to the Ex-Im Bank of the United States. The substantial assistance Curran provided to the government in its investigation and prosecution of others was taken into consideration at sentencing.

Curran pleaded guilty on June 8, 2007, to one count of conspiracy to defraud the United States and one count of mail fraud. As part of his plea, Curran, the former owner of Dankim Trading Corp., an exporting company located in Boynton Beach admitted that from October 2000 until June 2005, he acted as a purported “exporter” in approximately \$30 million worth of fraudulent loan transactions, falsified documents sent to U.S. banks and to the Ex-Im Bank, and misappropriated approximately \$24 million in loan proceeds. Curran admitted keeping approximately \$400,000 of those proceeds and transferring approximately \$23 million to bank accounts owned or controlled by a co-conspirator in the Philippines.

Curran’s sentencing is part of a broader investigation into an \$80 million scheme to defraud the Ex-Im Bank between November 1999 and December 2005. To date, six individuals – Curran, David Villongco, Edward Chua, Robert Delgado, Christina Song and Jaime Galvez – have pleaded guilty for their involvement in the fraud scheme. Villongco was sentenced on Feb. 29, 2008, to 33 months in prison; Galvez was sentenced on Jan. 7, 2008, to one year in prison; and Delgado was sentenced on Oct. 5, 2007, to two years in prison. In addition, four other individuals – Marilyn Ong, Ildefonso Ong, Nelson Ti and Joseph Tirona – have been indicted by a federal grand jury sitting in the District of Columbia for their alleged involvement in the scheme.

Marcia Anderson, 47, of Silver Spring, Maryland, entered a guilty plea on April 23, 2008 in U.S. District Court to one count of wire fraud for her theft of over \$500,000 from the Washington Metropolitan Area Transit Authority (WMATA) Anderson faces a possible term of 33-41 months of incarceration when she is sentenced by the Honorable Colleen Kollar-Kotelly on August 8, 2008.

FACTS: According to the statement of facts presented at the plea hearing, from 2001 to 2007, Marcia Anderson was employed by WMATA as a supervisor in the Transit Sales Office, where she oversaw the activities of ten to fifteen transit sales clerks who worked at three sales windows in Washington, D.C. Anderson, who earned an annual salary of between \$42,000 and \$49,747 during this period, was responsible for the collection of and accounting for cash

that was generated from the sale of Metro Fare Media – *i.e.*, bus tokens, student passes, senior citizen passes, and Metro Fare Cards.

According to WMATA's policies at the time, members of the public could purchase Metro Fare Media using either cash or "Metrocheks" for payment. "Metrocheks" are electronic coded cards in denominations of \$1, \$5, \$10, \$20 and \$30 that are provided by employers in the Washington, D.C. metro area to their employees as a benefit. When a transit sales clerk received payment for Metro Fare Media by Metrochek, he stapled the Metrochek to the transaction receipt and then placed the cancelled Metrochek into his cashier drawer. Other than the staple holes in a cancelled Metrochek, there was nothing that distinguished a Metrochek that had been used in this manner from any other Metrochek. Metrocheks cancelled in this manner were sent to the WMATA treasury where they should have been destroyed.

Instead, beginning in 2001 and continuing until October 10, 2007, Anderson devised and executed a scheme to steal cash from the transit sales clerks' cashiers drawers by taking the cash and replacing it with cancelled Metrocheks that should have been destroyed by the WMATA treasury. Routinely, Anderson stole up to two thousand dollars in cash from a transit sales clerk's cashier drawer, and substituted up to two thousand dollars worth of cancelled Metrocheks into the drawer. Anderson covered up her thefts by making false journal entries into WMATA's accounting system. She also falsified her cashiers' "end-of-day balance sheets" – which detailed the clerks' daily transactions – in order to cover-up the evidence of her thefts.

After finalizing these reports, she faxed copies from Washington, D.C. to WMATA's treasury office located in Alexandria, Virginia, where it was used to verify the sales and cash that had been sent via WMATA carrier to the WMATA treasury office each day. In addition to having faxed paper copies of the reports to WMATA's treasury office, no less than twice per week, Anderson sent via the WMATA computer internet system an electronic journal from Washington, D.C. to the WMATA treasury in Alexandria, Virginia.

From 2003 until the October 19, 2007, on a continuous and routine basis, Anderson made large deposits into bank accounts that she owns or otherwise controls. Specifically, from December of 2003 through the present, Anderson deposited at least \$400,000 into accounts she owns over and above the direct deposit of her salary from WMATA. In 2006, Anderson purchased a \$37,000 BMW with additional funds received during the perpetration of her scheme.

On October 10, 2007, law enforcement officials from the United States government and WMATA executed a search warrant at Anderson's home. At that time, officials recovered 210 Metro fare cards, \$3,250.00 in U.S. currency, and a bundled pack of Metrocheks with a piece of paper containing a notation "2029" on it (the approximate amount of funds which had been removed from the WMATA sales office the week before the search warrant had been executed).

As a result of Anderson scheme, she was able to steal \$560,722 belonging to WMATA.

A former District of Columbia employee, Stephanie Emerson Olds, was sentenced today to 51 months of incarceration for filing false claims, first-degree fraud, and theft from a program receiving federal funds.

FACTS: Olds, 41, of Hyattsville, Maryland, was sentenced by U.S. District Judge Gladys Kessler, after pleading guilty in November 2007. After she completes her incarceration, Olds will serve 3 years on supervised release for the federal charges, followed by 5 years on probation for the District of Columbia charge to which she pled guilty. The Court also ordered Olds to pay a total of \$88,050.33 in restitution to the United States and District of Columbia governments.

According to the proffer of evidence by the government at the time of the plea, Olds filed a false federal income tax return in 2001 and false District of Columbia income tax returns in 2001 and 2002. Olds provided her tax preparer with forged W-2 forms stating that an employer, for whom Olds no longer worked, withheld from her salary large amounts of money for federal and District of Columbia taxes. As a result, the tax preparer filed false returns on Olds's behalf claiming over \$58,000 in fraudulent refunds.

In addition, in 2003, Olds was employed at the District of Columbia Child and Family Services Agency ("CFSA") as a budget analyst. Her duties included processing invoices for the agency. In the summer and fall of 2003, Olds obtained checks from businesses that owed money to CFSA. Olds then deposited these checks into her personal bank account. Olds had no right to this money. In this scheme, Olds stole over \$24,000 from CFSA.

A former Medicaid provider, Leonard H. Young, has been sentenced to prison for billing Medicaid for over \$211,000 worth of services that he did not provide.

FACTS: Young, 57, of Temple Hills, Maryland, pled guilty on October 30, 2007, and was sentenced on April 25, 2008 in U.S. District Court for the District of Columbia before the Honorable Richard J. Leon on one count of Health Care Fraud. Judge Leon sentenced the defendant to one year and one day of incarceration, followed by two years of supervised release, with six months to be served in home confinement. In addition, the defendant was ordered to perform 400 hours of community service, and to pay \$173,491 in restitution to Medicaid. The defendant had already agreed to forfeit \$37,950.

According to the Statement of Offense signed by the defendant, Medicaid is a health care benefit program, jointly funded by the federal government and the District of Columbia, created to provide medical assistance for individuals and families with low incomes and a lack of financial resources. Medicaid will pay companies to transport Medicaid recipients to medical appointments, health care services, and day treatment programs, if the transportation requests were authorized in advance, and if the transportation services were actually provided.

The defendant, Leonard H. Young, was the owner of transportation companies and was a Medicaid provider. At least from January 2003 to August 2007, Young submitted claims for approximately 6,660 transportation services which were not provided. Medicaid, and then law enforcement, reviewed the top fifteen Medicaid recipients whose names were most often used as the subject of purported transportation services billed by Young. Medicaid and law

enforcement agents found that the Medicaid recipients were not always transported, as claimed, in that: they did not attend the day treatment programs on the days of the claimed transportation services; they were transported by a caseworker and not Young's company; they remained "in-patient" at a hospital or nursing home and did not require transportation in order to receive medical service; or they did not use the transportation service for some other reason. Using these false claims, Young falsely billed Medicaid and fraudulently received \$211,441.50 from Medicaid.

Emilio Estrada, a 46-year-old Maryland man, was sentenced on April 25, 2008 by the Honorable Richard J. Leon, U.S. District Court Judge, to 24 months of probation, a fine of \$2,500, and 100 hours of community service in connection with his earlier guilty plea to Theft of Government Money for defrauding the Federal Aviation Administration (FAA) of \$24,432.08 through a scheme in which he falsely claimed military leave.

FACTS: According to information provided to the Court by Assistant U.S. Attorney Sherri L. Schornstein, beginning in 2000 and continuing until approximately July 2006, Emilio requested military leave from the FAA and was approved for and used military leave on approximately 19 different occasions. Prior to 1991, Estrada had been a member of the D.C. Air National Guard Bureau (DCANG). He separated from the DCANG on December 8, 1991. At the time of his military separation he was a Technical Sergeant. Estrada was not a member of the military at any time thereafter.

Every time Estrada requested and used military leave, he signed and submitted three fraudulent forms: Military Orders; a Request and Authorization for TDY (temporary duty) Travel for DOD (Department of Defense) Personnel; and a Time Attendance Sheet. The cost to the FAA of the military leave wrongly claimed by Estrada was approximately \$24,432.28.

A 54-year-old former bookkeeper, Valerie Jenkins, has been sentenced to one year and a day in prison in connection with a scheme to defraud a District of Columbia developmental optometrist and his wife of approximately \$185,000.

FACTS: Jenkins, of Hughesville, Maryland, was sentenced on April 22, 2008, in the U.S. District Court for the District of Columbia before the Honorable Richard W. Roberts, who also ordered that the defendant's prison sentence be followed by six months of home confinement and 50 hours of community service. Jenkins entered her guilty plea on January 23, 2008.

According to the government's evidence, from 1998 through in or about May of 2006, Jenkins devised and executed a scheme to defraud the developmental optometrist and his wife of approximately \$185,000 by periodically stealing money from their business bank account. In addition, Jenkins falsified the check register for the business bank account and gave the doctor and wife monthly spreadsheets containing false information about payroll tax withholdings.

U.S. Attorney's Office Website

The United States Attorney's Office maintains a website with additional information concerning Office personnel and activities. The Court Reports are also posted on this website and you can view and obtain a copy of the Court Report for each of the seven police districts. The U.S. Attorney's Office website is www.DCcommunityprosecution.gov.

**The Following Report, Titled “Papered Arrests” Contains
Details on Arrests and Charges Filed Against Defendants
in the Seventh District.**